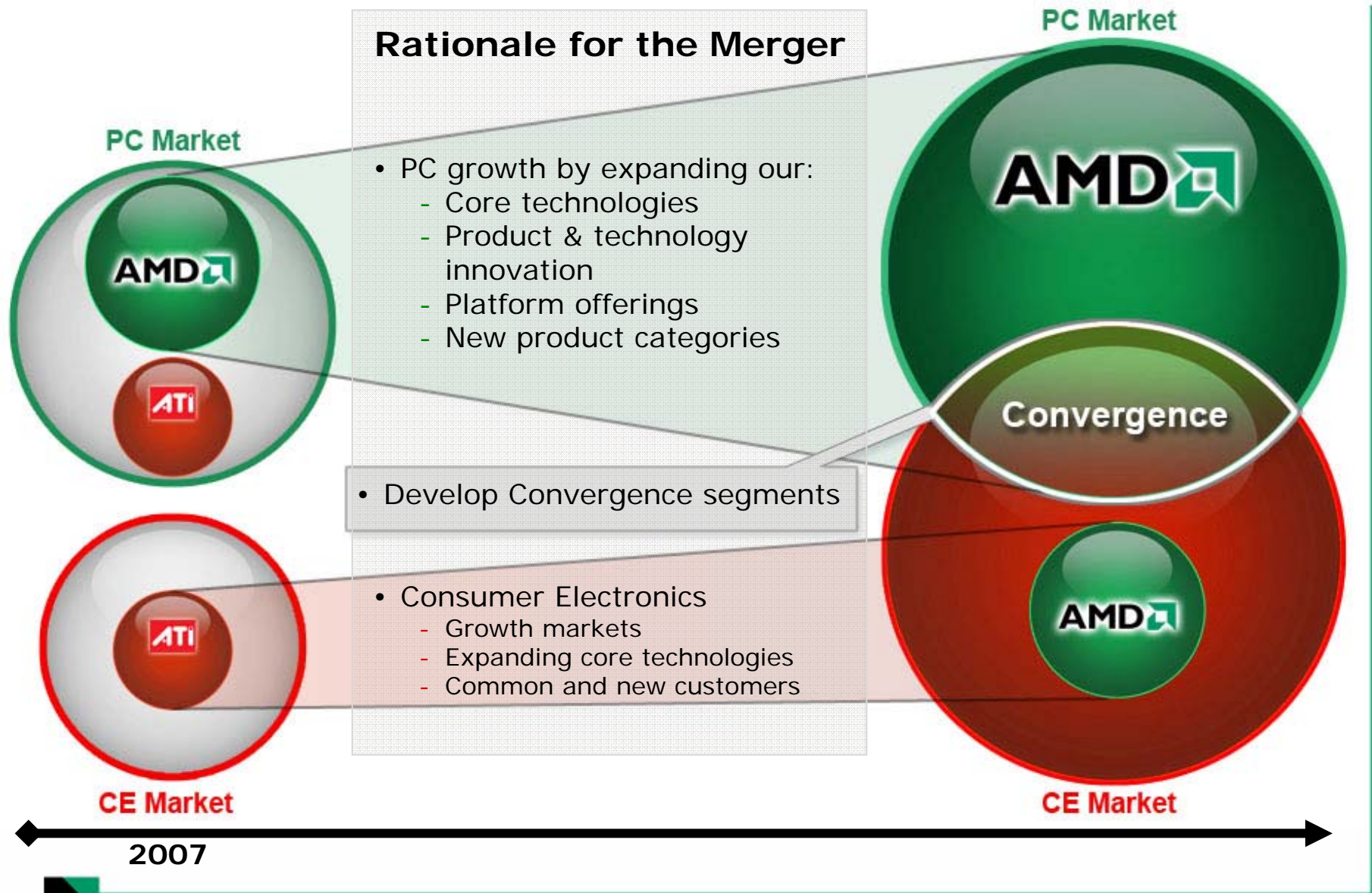




Dave Orton
Executive VP, Visual and Media Businesses

December 14, 2006

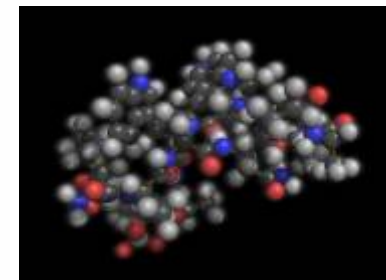
Aligned Vision brings AMD and ATI together



Strategic Rationale – GPU Leadership



- DX10 and Unified Shader Architecture
- Avivo™ and UVD
- CrossFire™
- Gaming
- GPGPU
- Microsoft Windows Vista™
- Software
- Fabless technologies



Leading in Graphics Innovation



Windows Vista
DirectX 10
PCI-E gen2

High Definition
• Blu-ray & HD DVD

DirectX 9.0c
Shader
Model 3.0

PCI Express

DirectX 9.0

AGP 8x

2002

2003

2004

2005

2006

2007

2008

R600: Why we lead in graphics

Performance Leadership

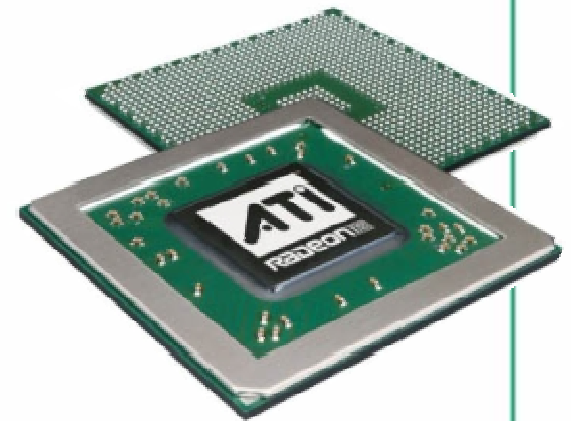
- New levels of parallelism – latest process technology
- Raw power to drive today's and tomorrow's games

Dynamic Game Computing

- New levels of visual realism
 - Enabling significantly more immersive user experiences

Technology Leadership

- Expanding the role of a GPU - new platform for the future of gaming
 - Second generation Unified Shader Architecture
 - Comprehensive DX10/Shader Model 4.0 support



Graphics Processors: On the Horizon

Consumer

Vista Desktop:

- Print quality display
- Immersive interaction
- Enhanced MCE features

Gaming Enthusiasts:

- New DX10 games
- New platforms
- Physics processing on GPUs

Advanced Home Users:

- Applications targeting GPUs
- Video enthusiasts & home theater

Core technologies waterfall:

- Game consoles
- Handheld gaming

Commercial

Vista for Commercial

- Office & other applications – 3D

Workstation / Professionals

- Product design / preview
- Creative production

Embedded

- Vehicle simulation
- Medical imaging
- Face/Feature recognition

Stream Computing & GPGPU

- Financial / Government
- Oil/Gas, Weather analysis

Search

- Internet/Database matching

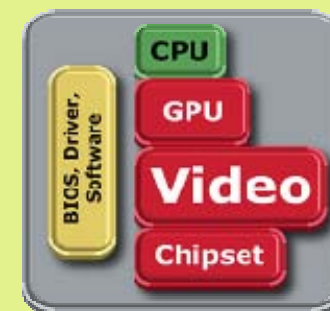
Strategic Rationale - Chipsets

Seize existing opportunities and address the need for new platform offerings

1. Commercial & Notebook opportunity in 2007 and 2008
 - Low-power – PowerXpress technologies
 - Vista-ready, Stability
 - Engineering support
2. Platforms for expanding segments
 - Media-rich
 - Gaming
 - High-growth markets
3. Fusion in 2009
 - Mainstream
 - Portables
 - Emerging markets



Media Centric



Innovation in Chipsets:

Leadership in graphics, video and display technologies

Leading 3D Performance & Features



Software

- DirectX & OGL
- Linux



Rich Video & Multimedia support

- Two Independent Display Controllers
- Simultaneous Outputs of DVI & HDMI
- Integrated TV-Out: Component, Composite and S-Video



Strong Penetration in Commercial



End users trust our chipsets for commercial designs

lenovo



NX6325



Latitude 131L



TOSHIBA



acer

Ferrari 1000



DX2250



DX2200



Optiplex 320



FUJITSU
COMPUTERS
SIEMENS

ESPRIMO P2150



Chipset Future Directions

1. AMD branded chipsets and platforms

- Growing the Channel
- Expand Commercial solutions

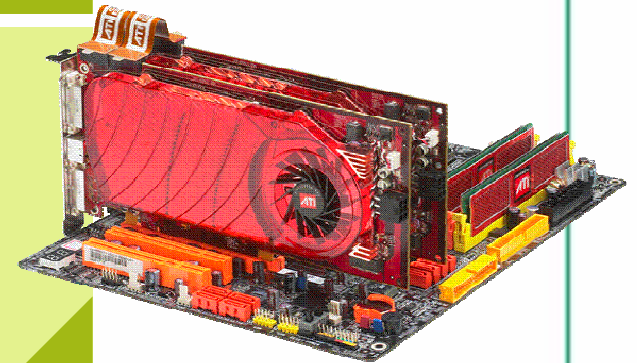
2. Cost and stability

3. Performance and scalability

4. Integrated IP

- Graphics
- Video & display
- System-level Low Power management
- Expanded networking and I/O support

5. Customer-focused engineering



Strategic Rationale – Consumer Electronics



AMD's New Consumer Electronics Market

- DTV, Handheld and Game Consoles
- Technology leverage
- Customer leverage
- Strong revenue & margin performance
- Convergence with segments of the PC market



Worldwide DTV Trends

Analog → Digital



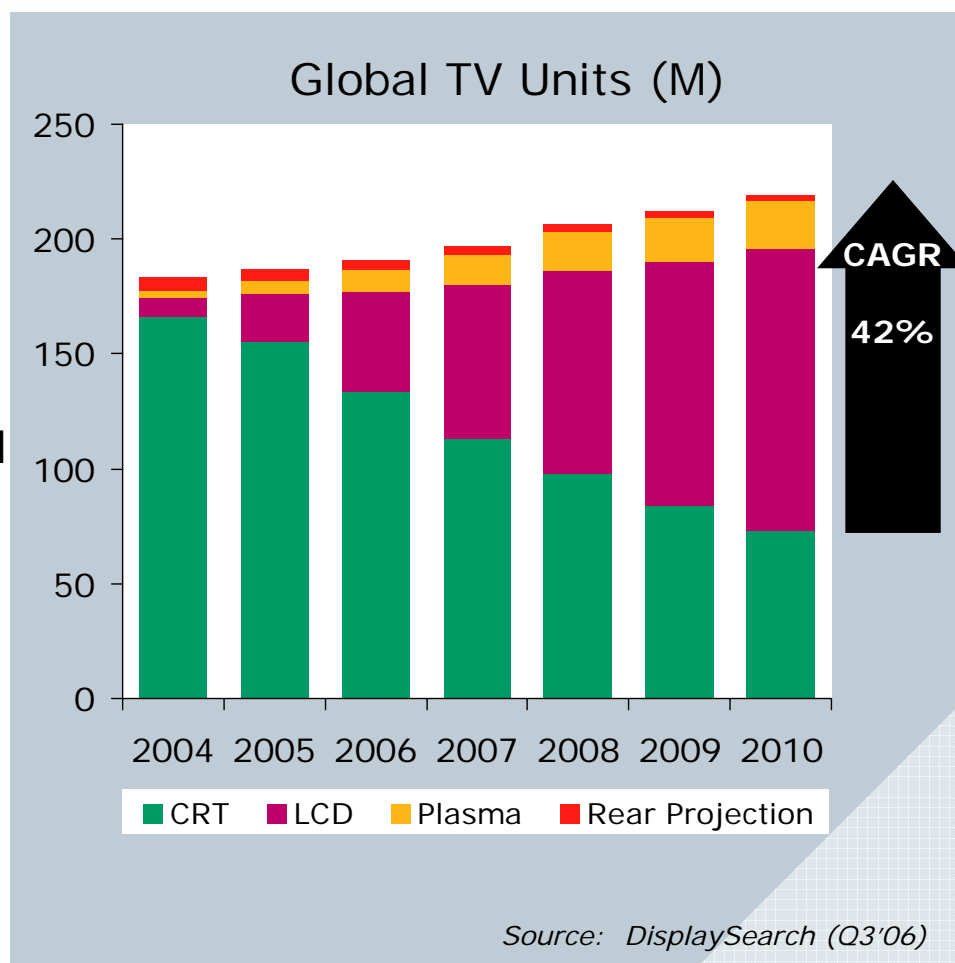
Display

- Analog to Digital conversion, and CRT with digital flat panel

Broadcast

- Transition of over-the-air networks from analog to digital (driven by government mandate)

AMD's Xilleon™: in demand by leading OEMs



The nexus of these two trends is where AMD plays.

Sony Lineup with AMD Xilleon

GRAND WEGA

XBR
Series



KDS-R60XBR2



KDS-R70XBR2

A
Series



KDS-50A2000



KDS-60A2000

E
Series



KDF-42E2000



KDF-55E2000

BRAVIA

XBR
Series



KDL-40XBR3



KDL-46XBR3

V
Series



KDL-40V2500



KDL-46V2500

S
Series



KDL-40S2400



KDL-46S2010



KDL-26S2010



KDL-32S2010

Note: Only a selection of models shown

Samsung Lineup with AMD Xilleon

PDP TV



PS42D7HD



PS50D7HD

LCD TV



LA32R71



LA40R71

DLP TV



HLS46086W



HLS5086W

CRT TV



CT-29Z30

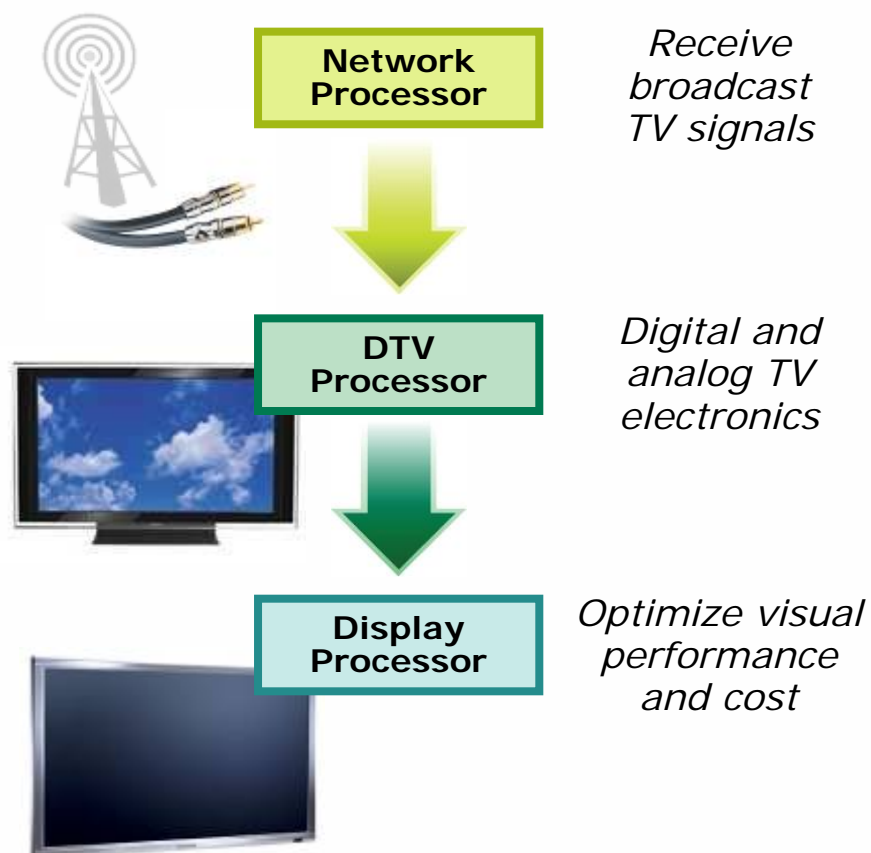


CT-32Z30

Note: Only a selection of models shown

DTV Strategy

1) Network-to-the-Glass



2) Go Global

- #1 supplier of IDTV to North America today
 - Goal: be the #1 supplier of IDTV to All regions by 2008
- Common global platform
- Leadership technologies and products
- Regional sales & support



Leveraging DTV technologies across AMD



Core technologies leveraged by our PC products

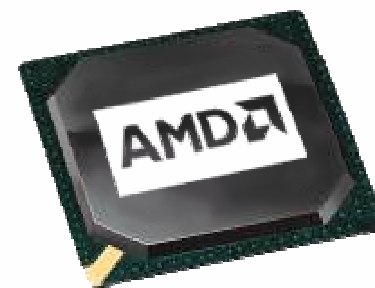
- ATSC - demods
- Video and image processing
- Codecs, DRM, conditional access



Common and new customers

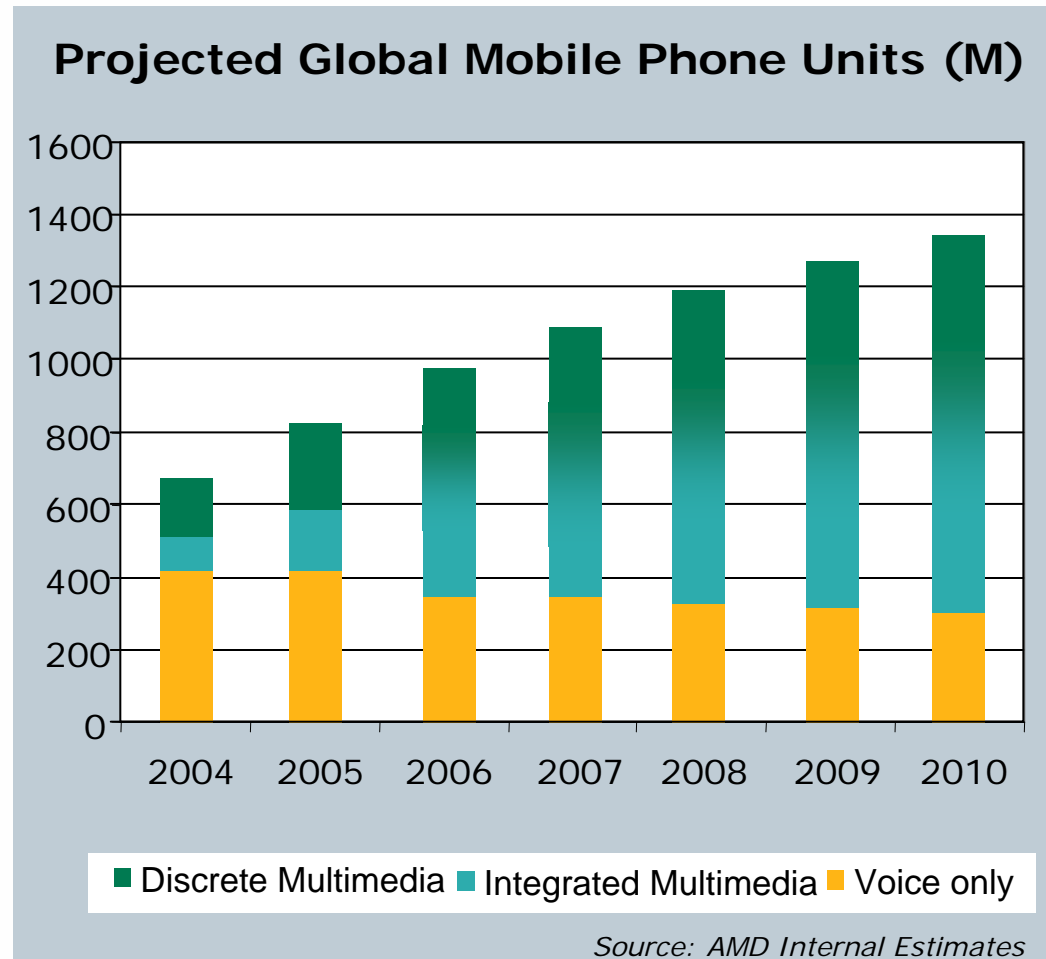
Innovation in our centers of concentration:

- processing / visualization / media



Mobile Phone Market Forecast

- 2007: Cell phone shipments will exceed 1B units
 - Steady growth: >10% annually
- Rapid adoption of multimedia inside the cell phone
 - Camera, Music, Video, Mobile TV, 3D Gaming



New Phones – Motorola (W2282)



KRZR K1



RIZR

Next wave of RAZR phones bring AMD Imageon™ multimedia technologies to the volume 'mainstream' market.

Customer Lineup with AMD Imageon

MOTOROLA



BenQ SIEMENS



HTC



FUJITSU



Panasonic



LG



SAMSUNG



Bringing leading technologies to the cell phone

- Next gen camera image quality and resolution
- Mobile TV solutions
- Video quality
- Video recording & playback (H.264)
- Vector graphics technology
- 3D gaming



Next Gen Video Quality



Competitor Video

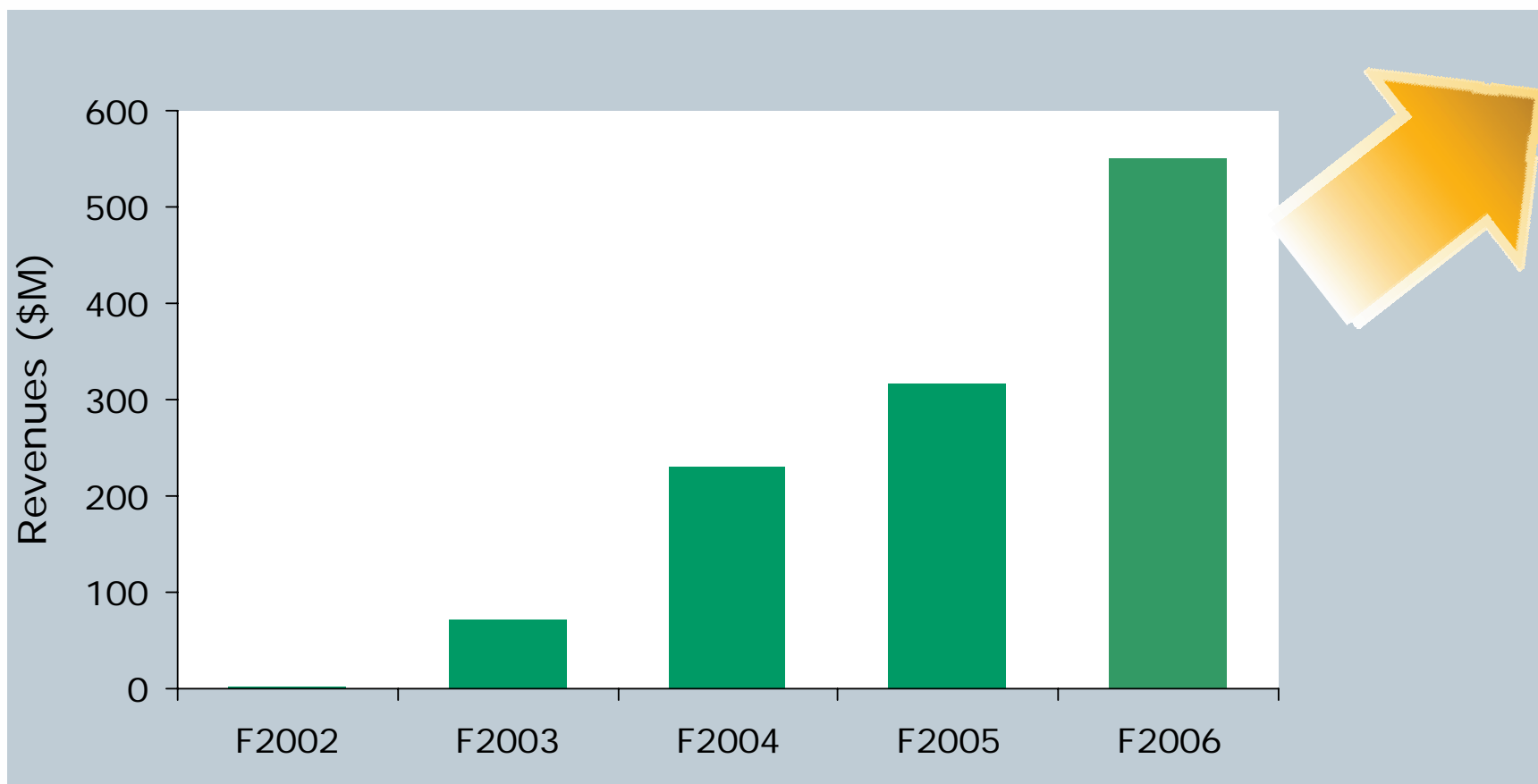
**AMD Video with
Image Stabilization**

Handheld Strategy: Convergence & Divergence



Driving the convergence of multimedia features in the handset....
The technologies & platforms developed enable new opportunities.

Consumer Electronics – Revenue Growth



CE has quickly become a >\$500M/yr business
Goal: become a \$2B growth business for AMD

Note: Revenue numbers reference ATI's fiscal years.

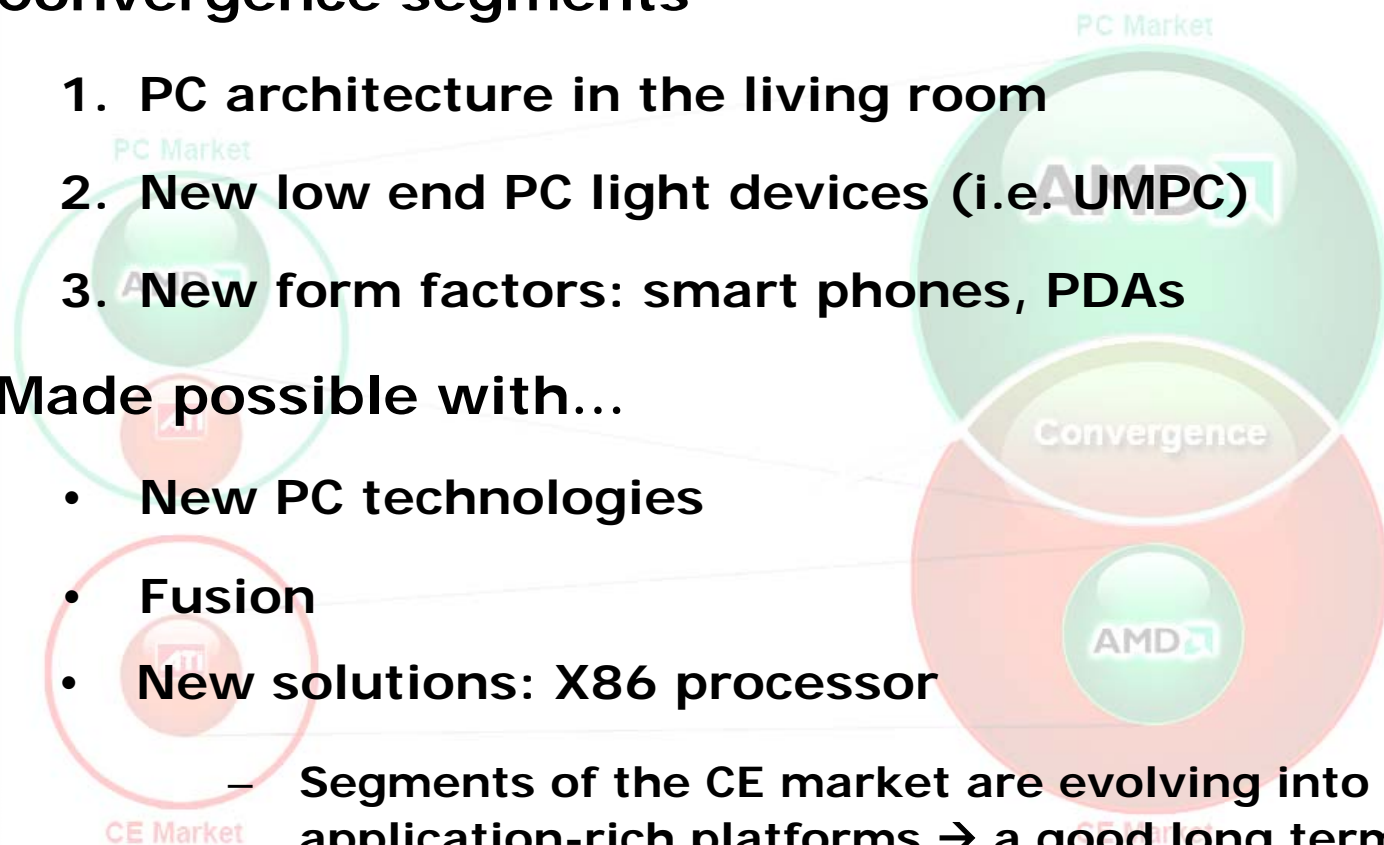
Convergence: CE + PC

Convergence segments

1. PC architecture in the living room
2. New low end PC light devices (i.e. UMPC)
3. New form factors: smart phones, PDAs

Made possible with...

- New PC technologies
- Fusion
- New solutions: X86 processor
 - Segments of the CE market are evolving into application-rich platforms → a good long term fit for X86 processor architectures



Built to win: See what's possible

- GPU technologies and product leadership
- Chipsets:
 - Commercial and notebook opportunities today
 - Customer-centric platforms in 2008
- Fusion
- Consumer Electronics opportunities
- New Convergence market

An aligned vision for the PC & CE markets



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